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**BOSNIA-HERZEGOVINA**

# SUCCESS STORY

## Fruits, Veggies Make Thriving Business

**Through war and peace, family business expands and thrives**



Photo: USAID/Kristina Stefanova

Cucumbers on their way to becoming pickles at Vegafruit's flagship production facility in Gracanica, Bosnia.

***“When we started, it was very primitive. It was a lot of manual work — like fire cooking in huge pots and much stirring. Many people told my father he was crazy, but he had a vision,” said Edin Salihbašić, marketing chief of Vegafruit, a company that expanded aggressively thanks to USAID assistance.***

Muharem Salihbašić was forced to leave his hometown, Doboj, in northern Bosnia and Herzegovina during the war in 1994. A manager of a fruit and vegetable processing plant, he was a hard-working man with a family to feed. The Salihbašić family moved 10 kilometers away to Gracanica, and Muharem decided to turn this into an opportunity to start his own business. He rented a facility nearby, hired family members and former colleagues, and — despite the war — managed to start his own fruit and vegetable processing company.

With help from USAID, the Salihbašić family spent the next decade turning their company, Vegafruit, into a major producer of marmalades, sauces, and processed foods. “When we started, it was very primitive,” said Edin, Muharem’s son and the company’s marketing chief. “It was a lot of manual work — like fire cooking in huge pots and much stirring. Many people told my father he was crazy, but he had a vision.” He recalled the company’s first product: plum marmalade.

In the years that followed, USAID helped Vegafruit grow through assistance in quality control, financial management, design, and marketing. Edin said some of the most useful training he received occurred during a USAID-sponsored tour and workshop in the U.S., where he learned about quality control and marketing.

In 1996, Vegafruit borrowed \$800,000 from a USAID-backed business development initiative to build a headquarters and invest in new equipment, packaging, and labeling. A year later, the company took out another \$1.5 million loan to expand its production line. As a result, the company expanded its workforce from 20 to 260 full-time employees plus another 100 seasonal workers. Vegafruit now produces more than 18,000 tons of food annually under four brands sold both at home and abroad.

Vegafruit is one of several hundred companies USAID helped through a business development program that funded \$162 million in loans in Bosnia and Herzegovina. These companies are now the backbone of country’s private business sector, produce half of the country’s exports, and have created more than 10,000 new jobs.

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